

# The Utah Centers of Excellence Program

Presentation

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# Key Elements of COEP

The purpose of the Centers of Excellence program is to accelerate the commercialization of promising technologies that have strategic value for Utah

- Help mature the technology into a Product
- Help create and mature the Business Team to help take the Product to Market



# Centers of Excellence ROI

- Over 100 Centers since 1986 – cumulative funding \$49 million
  - Over 175 companies spun out - 61 are alive in Utah today
- Centers Companies Impact – 2003 Survey Data
  - Employ over 2008 Utahns
  - Average annual salary ~ \$59 k
  - One year wage impact ~ \$118.5 M
- Personal Income Tax Generated @ 7% tax rate = \$8.29M
- COEP Funding average of last 5 completed Fiscal Years (00-01 to 04-05) is ~\$2.17 M/year
- ROI = Personal Income Taxes / Ave Annual Funding
  - \$8.29M / \$2.17 M => 3.8:1
- **3.8 :1 Annual Return to the State \*\***

\*Results from 2003 sample survey may understate the results of the program

\*\* Using 2000-01 to 2004-05 Average Funding \$2.0 million (Completed Fiscal Years) plus \$170k in GOED Salary and expenses

# COE Successes

- Myriad Genetics (MYGN)

- 1991 - Center for Cancer Genetic Epidemiology (UU)
- Center Funded - \$354 k
- 2003 survey – 400+ Utah employees



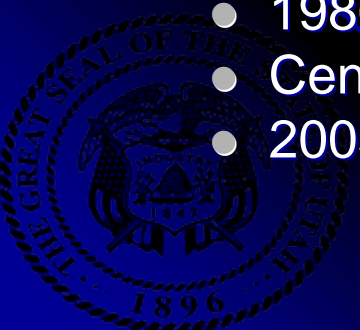
- Sonic Innovations (SNCI)

- 1995 - Center for Signal Processing (BYU)
- Center Funded - \$776 k
- 2003 survey - 101 employees



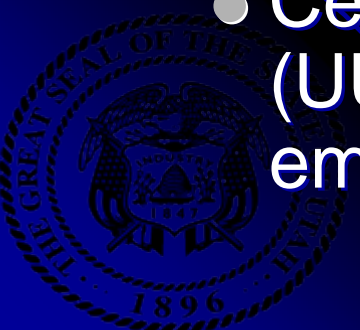
- Theratech - Acquired Watson Pharmaceuticals (WPI)

- 1986 - Center for Controlled Drug Delivery (UU)
- Center Funded - \$646 k
- 2003 survey - 324 employees



# COE Successes

- Echelon Biosciences Inc. - An Aeterna Zentaris Company (AEZS)
  - Center for Cell Signaling
- Space Dynamics Laboratory
  - Center for Space Engineering (USU) –
  - Funded- 1986- Recent survey 281 employees
- Sarcos (privately held)
  - Center for Engineering Design (UU) —Funded - 1986- Recent survey 32 employees



# Emerging COE Successes

- IsoTruss Structures, Inc.
  - Licensee of BYU Center for Advanced Structural Composites
- RapidMapper
  - Licensee of Advanced Imaging LADAR - USU
- MegaStir Technologies, Inc.
  - Spinout of Advanced Joining of Materials
- TechniScan Medical Systems
  - Spinout of Inverse Problems, Imaging & Tomography - UU



# COEP Highly Regarded Nationally


Utah's approach is unique-- the partnership between economic development, the tech transfer office, and the commercialization-- makes sense and seems to be working. The creation of 150 companies is a great success, and I can't point to any other program that has the same results.

Dan Berglund, President and CEO,  
SSTI -State Science and Technology Institute





# Centers of Excellence – Updated for even greater Success

- Accelerate time to market
  - Help mature the Technology into Products
- Help create and mature Management Teams
  -  Business Teams - Consulting
  -  Business Advisory Councils - Volunteer
- Help spinout companies build value and be able to create jobs sooner





# Budget

- Investment Funds allocated by Legislature
  - 2004-05 \$ 2 million ongoing
  - 2005-06 \$ 3 million total
    - \$ 2.5 million ongoing plus \$ 0.5 million one time
    - \$ 2,446,800 invested in Centers Technology Maturation
      - Ave. ~ \$136 per Center for 18 Centers
    - \$ 553,200 invested in Business Teams
      - Allocating \$25k per Center)

